

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
FORT WAYNE DIVISION

ESSEX INSURANCE COMPANY n/k/a
MARKEL ESSEX CORPORATION,)
Plaintiff,)
v.) CAUSE NO. 1:09-cv-00256
NAAB STRUCTURES, INC,)
SAMS HOTEL GROUP, LLC d/b/a)
HOMEWOOD SUITES HOTEL,)
CONDOR CONCEPTS, LLC,)
JAREMA & SONS, INC.,)
ENVIRONS ARCHITECTS-PLANNERS, PC)
Defendant.)

OPINION AND ORDER

This case was filed in the United States District Court for the Northern District of Indiana, Fort Wayne Division, based on diversity jurisdiction pursuant to 28 U.S.C. § 1332(a). (Docket # 1.) The Complaint alleges that Plaintiff Essex is an insurance company with its principal place of business in Virginia. (Compl. ¶ 1.) Plaintiff alleges that Defendant SAMS Hotel Group, LLC (“SAMS”) is an “Indiana limited liability corporation, with its principal place of business in . . . Indiana (*Id.* ¶ 3), Condor Concepts LLC (“Condor LLC”) is an Illinois corporation with its principal place of business in Illinois (*Id.* ¶ 4), and Environs Architects-Planners Professional Corporation (“Environs”) has its principal place of business in Illinois.

Plaintiff’s complaint is inadequate on several levels. For purposes of diversity, corporations “are deemed to be citizens of the state in which they are incorporated *and* of the state in which they have their principal place of business.” *N. Trust Co. v. Bunge Corp.*, 899 F.2d 591, 594 (7th Cir. 1990) (emphasis added); *see* 28 U.S.C. § 1332(c)(1). Additionally, a limited

liability company's ("LLC") citizenship "for purposes of . . . diversity jurisdiction is the citizenship of its members." *Cosgrove v. Bartolotta*, 150 F.3d 729, 731 (7th Cir. 1998). Moreover, citizenship must be "traced through multiple levels" for those members of the LLC, as anything less can result in a dismissal or remand for want of jurisdiction. *Mut. Assignment & Indem. Co. v. Lind-Waldock & Co., LLC*, 364 F.3d 858, 861 (7th Cir. 2004). Since the Plaintiff has only stated that it has its principal place of business in Virginia, the Court must first be advised as to Plaintiff's state of incorporation.

Plaintiff has alleged that Defendant SAMS is an Indiana limited liability corporation, with its principal place of business in Indiana (Compl. ¶ 3), and Defendant Condor LLC is an Illinois corporation with its principal place of business in Illinois. (*Id.* ¶ 3.) Such entities do not exist. A corporation "is merely an incorporated association, that is, an association which, by complying with certain conditions prescribed by law, is clothed with corporate authority" to conduct business. 18 C.J.S. *Corporations* § 1 (2009). "A limited liability *company*, or LLC, is a hybrid business entity that offers all of its members limited liability as if they were shareholders of a corporation but treats the entity and its members as a partnership for tax purposes." NTS AM. JUR. 2D *Limited Liability Companies* § 1 (2009) (emphasis added).

Therefore, the Court must first be advised as to both Defendants' status as either a corporation or a limited liability company. If the Defendants are in fact organized as an LLC, the Plaintiff must trace the citizenship of each member to ensure that there is complete diversity. *Hicklin Eng'g, L.C. v. Bartell*, 439 F.3d 346, 347 (7th Cir. 2006).

Finally, Plaintiff alleges that Defendant Enviros is a professional corporation with its principal place of business in Illinois. (Compl. ¶ 6.) "[A] professional corporation is to be

treated like other corporations for purposes of determining the presence or absence of diversity jurisdiction.” *Cote v. Wadel*, 796 F.2d 981, 983 (7th Cir. 1986); *see also Hoagland ex rel. Midwest Transit, Inc. V. Sandberg, Phoenix & von Gontard, P.C.*, 385 F.3d 737, 739 (7th Cir. 2004) (collecting cases). Plaintiff must therefore also amend its complaint to specify Environs place of incorporation.

Therefore, Plaintiff is ORDERED to file an Amended Complaint forthwith that properly identifies its own state of incorporation. Plaintiff must also clarify SAMS’s and Condor’s status as either a corporation or a limited liability company. If either Defendant is an LLC, Plaintiff must trace the citizenship of their respective members through all applicable layers of ownership. Finally, Plaintiff must identify the state of incorporation of Defendant Environs Architects-Planners.

SO ORDERED.

Enter for this 14th day of September, 2009.

/S/ Roger B. Cosby
Roger B. Cosby,
United States Magistrate Judge